

TECHNICAL SERVICES AGREEMENT

for

**DEVELOPMENT OF CONFERENCE CENTER STANDARDS
AND OPERATING/PRE-OPENING BUDGETS**

between

THE CITY OF COLLEGE STATION
(“OWNER”)

PO Box 9960
1101 Texas Avenue
College Station, TX 77842

and

CRESTLINE HOTELS & RESORTS, INC.
(“MANAGEMENT COMPANY”)

6600 Rockledge Drive, Suite 600
Bethesda, MD 20817

TECHNICAL SERVICES AGREEMENT

THIS TECHNICAL SERVICES AGREEMENT (this "Agreement") is made effective as of _____, 2001 (the "Effective Date") by and between **THE CITY OF COLLEGE STATION**, a municipal corporation and home-rule city of the State of Texas situated in Brazos County, acting by and through its governing body, the City Council, located at 1101 Texas Avenue, College Station, TX 77842 ("Owner"), and **CRESTLINE HOTELS & RESORTS, INC.**, a Delaware corporation, located at 6600 Rockledge Drive, Suite 600, Bethesda, Maryland 20817 ("Management Company").

WITNESSETH:

WHEREAS, Owner intends to be the fee simple owner of certain real property located in College Station, Texas, upon which a conference center will be constructed (the "Conference Center"); and

WHEREAS, Owner and Management Company are currently in negotiations regarding the terms of a management agreement for the Conference Center whereby Management Company will manage the Conference Center on behalf of Owner under the terms and conditions set forth therein ("Management Agreement"); and

WHEREAS, Owner and Management Company are currently in negotiations regarding the terms of a Pre-Opening Services Agreement for the Conference Center (the "Pre-Opening Services Agreement"); and

WHEREAS, Owner and Management Company recognize that certain activities must be undertaken in advance of entering into the Pre-Opening Services Agreement and the Management Agreement and the opening of the Conference Center. .

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Owner and Management Company, do hereby covenant and agree as follows:

ARTICLE 1

TECHNICAL SERVICES AND FEES

1.1 Technical Services Provided. Management Company agrees to perform the following Technical Services in connection with the planning of the construction, equipping and opening of the Conference Center:

- (a) Development (and publication in digital format) of a set of **Conference Center Standards** (the "Conference Standards"), including Management Company's recommended minimum standards for development of the Conference Center spaces, to be delivered in final form not later than January 15, 2002. Recommended "Conference Standards" shall include, but not be limited to, the Management Company's minimum

scope and design standards for furniture, fixtures, and equipment, minimum requirements for lighting, sound and meeting/banquet space equipment, and certain other finishes in the Conference Center.

- (b) Development (and publication in digital format) of a line item **Conference Center Operating Budget (the "Conference Operating Budget")**, including assumptions and detailed back-up documentation where required. Such Conference Operating Budget shall be prepared in accordance with generally accepted accounting principles and the Uniform System of Accounts for Hotels, Ninth Revised Edition, 1996, as revised and adopted by the American Hotel & Motel Association, and is to be delivered in final form not later than March 15, 2002.
- (c) Development (and publication in digital format) of a line item **Conference Center Pre-Opening Budget (the "Conference Pre-Opening Budget")**, including assumptions and detailed back-up documentation where required. Such Conference Pre-Opening Budget shall be prepared in accordance with generally accepted accounting principles and the Uniform System of Accounts for Hotels, Ninth Revised Edition, 1996, as revised and adopted by the American Hotel & Motel Association, and is to be delivered in final form not later than March 15, 2002.

1.2 Fees to Management Company. Owner agrees to pay to Management Company the following hourly fees plus all actual and reasonable out-of-pocket expenses related to the performance of the Technical Services defined in Section 1.1 above:

- (a) The hourly fee for all work performed by Management Company on the Conference Standards shall be Three Hundred Dollars (\$300.00) per hour, not to exceed Ten Thousand Dollars (\$10,000.00) in the aggregate.
- (b) The hourly fee for all work performed by Management Company on the Conference Operating Budget and the Conference Pre-Opening Budget shall be One Hundred and Twenty Five Dollars (\$125.00) per hour, not to exceed Ten Thousand Dollars (\$10,000.00) in the aggregate.
- (c) In addition to the hourly fees set forth in Subsections (a) and (b) above, Owner agrees to pay to Management Company all actual and reasonable out-of-pocket expenses incurred by Management Company in the performance of its obligations hereunder in an amount not to exceed Two Thousand Dollars (\$2,000.00).
- (d) On the first day of each month, Management Company shall provide Owner an itemized statement of fees and expenses due and Owner agrees to pay all such amounts within thirty (30) days of receipt thereof. Notwithstanding any other provision of this Agreement, in the event that the Pre-Opening Services Agreement and Management Agreement are ultimately entered into, Owner will owe no fees to Management Company for preparation of the Conference Operating Budget and Conference Pre-Opening Budget and

all prior payments for such amounts will be credited against amounts owing under the Pre-Opening Services Agreement. Any travel expenses and all other expenses above \$200.00 per item must be pre-approved by Owner.

- (e) An advance payment in the amount of Five Thousand Dollars (\$5,000.00) shall be paid to Management Company within fifteen business days of the execution of this Agreement, which shall be credited towards amounts that become due under Subsections (a) and (b) above.

- 1.3 Late Charge. If Owner fails to pay any fees or expenses due Management Company hereunder within thirty (30) days after Owner's receipt of Management Company's monthly statement, Management Company reserves the right to include a late charge of one percent (1%) per month thereafter on all amounts due.

ARTICLE 2

REPRESENTATIONS AND COVENANTS OF OWNER

- 2.1 Representations and Warranties of Owner. Owner hereby represents and warrants to Management Company that, to the best knowledge of Owner, the execution, delivery and/or performance by Owner of this Agreement will not result in a breach of any provision contained in any agreement, instrument, document, order, judgment, decree or other material arrangement which Owner is a party or by which it or any of its assets is bound.
- 2.2 Covenants of Owner. Owner hereby covenants and agrees to (i) designate a representative who is authorized to act on Owner's behalf and whose decisions, notices and directives shall be binding upon Owner with respect to this Agreement, and (ii) furnish the required information and services and render approvals and decisions as expeditiously as necessary for the orderly progress of Management Company's services.

ARTICLE 3

TERM AND TERMINATION

- 3.1 Term. This Agreement shall commence on the Effective Date and, unless terminated at an earlier date as provided below, shall expire upon the date that both parties have fully completed all of the obligations contemplated herein.
- 3.2 Termination. This Agreement shall terminate immediately upon the written termination of the negotiations of the Management Agreement by Owner or Management Company. Upon Management Company's receipt of such notice, Management Company shall cease work immediately. Management Company shall be compensated for the services satisfactorily performed prior to the termination date.

ARTICLE 4

MISCELLANEOUS

- 4.1 Cooperation. A policy of full cooperation shall prevail between the parties and their authorized representatives with respect to any and all matters contemplated by this Agreement.
- 4.2 Notices. Any consent, approval or notice to be given by either party hereto shall be in writing and shall be effective by forwarding via hand-delivery or registered or certified mail, to the addresses of Owner and Management Company specified hereinabove, unless either party hereto shall specify to the other party in writing a different party or address for giving such notice.
- 4.3 Assignment. Neither party may assign or transfer this Agreement or portions of this Agreement, nor its rights or obligations hereunder, without prior written consent of the other party, provided that either party may assign and transfer its rights hereunder to a subsidiary or affiliate company so long as the assigning party remains liable in accordance with the terms hereof.
- 4.4 Third-Party Rights. Nothing herein shall be construed to give any rights or benefits hereunder to any person or entity, other than Owner or Management Company, and the rights of third-party beneficiaries are hereby expressly negated.
- 4.5 Governing Law. The laws of the State of Texas shall govern the validity, construction, performance and effect of this Agreement.
- 4.6 Counterparts. This Agreement may be executed in one or more counterparts having the signature of the parties and each such counterpart shall, for all purposes, be deemed an original, but all such counterparts when taken together shall constitute one and the same instrument.

[Signature Page follows]

IN WITNESS WHEREOF, Owner and Management Company have executed this Agreement under seal as of the date first above written.

APPROVED AS TO FORM:


James E. Plummer

OWNER

City of College Station, Texas

By: _____
Printed Name: _____
Title: _____

MANAGEMENT COMPANY

Crestline Hotels & Resorts, Inc.

By: _____
Printed Name: Patrick W. Campbell
Title: Vice President – Business Development

IN WITNESS WHEREOF, Owner and Management Company have executed this Agreement under seal as of the date first above written.

APPROVED AS TO FORM:

James P. Plummer


OWNER

City of College Station, Texas

By: _____
Printed Name: _____
Title: _____

MANAGEMENT COMPANY

Crestline Hotels & Resorts, Inc.

By:  _____
Printed Name: Patrick W. Campbell
Title: Vice President – Business Development



APPROVED:

CITY OF COLLEGE STATION, TEXAS

By: _____
LYNN MCILHANEY, MAYOR

Date: _____

ATTEST:

CONNIE HOOKS, City Secretary

Date: _____

APPROVED:

THOMAS E. BRYMER, City Manager

CHARLES CRYAN, Director of Fiscal Services

HARVEY CARGILL, JR., City Attorney